

[Date]

[Applicant Name]

[Applicant Address]

[City, State, Zip Code]

Subject: Notice of Action Taken on Mortgage Loan Application

Dear [Applicant Name],

Thank you for your recent application for a mortgage loan. After careful review, we regret to inform you that we are unable to approve your request for the full amount or terms requested. We are, however, able to offer you credit under the following modified terms:

- **Approved Loan Amount:** \$[Amount]
- **Required Down Payment:** [Percentage/Amount]
- **Other Conditions:** [Specific Conditions]

Our decision was based in whole or in part on the following reason(s):

- [Reason 1: e.g., Insufficient cash reserves]
- [Reason 2: e.g., Value or type of collateral not sufficient]
- [Reason 3: e.g., Credit history]

Disclosure of Use of Information Obtained from an Outside Source

Our decision was also based in whole or in part on information obtained in a report from the consumer reporting agency listed below:

[Consumer Reporting Agency Name]

[Address]

[Toll-free Telephone Number]

The consumer reporting agency did not make the decision to take the adverse action and is unable to provide the specific reasons why the adverse action was taken. You have the right to obtain a free copy of your consumer report from that agency if you request it within 60 days of receipt of this notice. You also have the right to dispute the accuracy or completeness of any information in the report.

Equal Credit Opportunity Act Notice

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in

good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law concerning this creditor is:

[Name and Address of Regulatory Agency]

Sincerely,

[Loan Officer Name]

[Lender Name]

[Lender Phone Number]